

Special Taxing Districts

The Tax Process

The term "taxing district" for the purposes of this section shall mean any political subdivision, municipal corporation, district, or other governmental agency authorized by law to levy, or have levied for it, ad valorem taxes on property, other than a port or public utility district.

The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts.



Fire Districts are a Junior Taxing District

Senior -vs- Junior

- Senior districts get all of their money prior to the Junior district getting any.
- Senior districts:
 - State – County – County Roads - City

The aggregate levies of junior taxing districts and senior taxing districts, other than the state, shall not exceed five dollars and ninety cents per thousand dollars of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts.



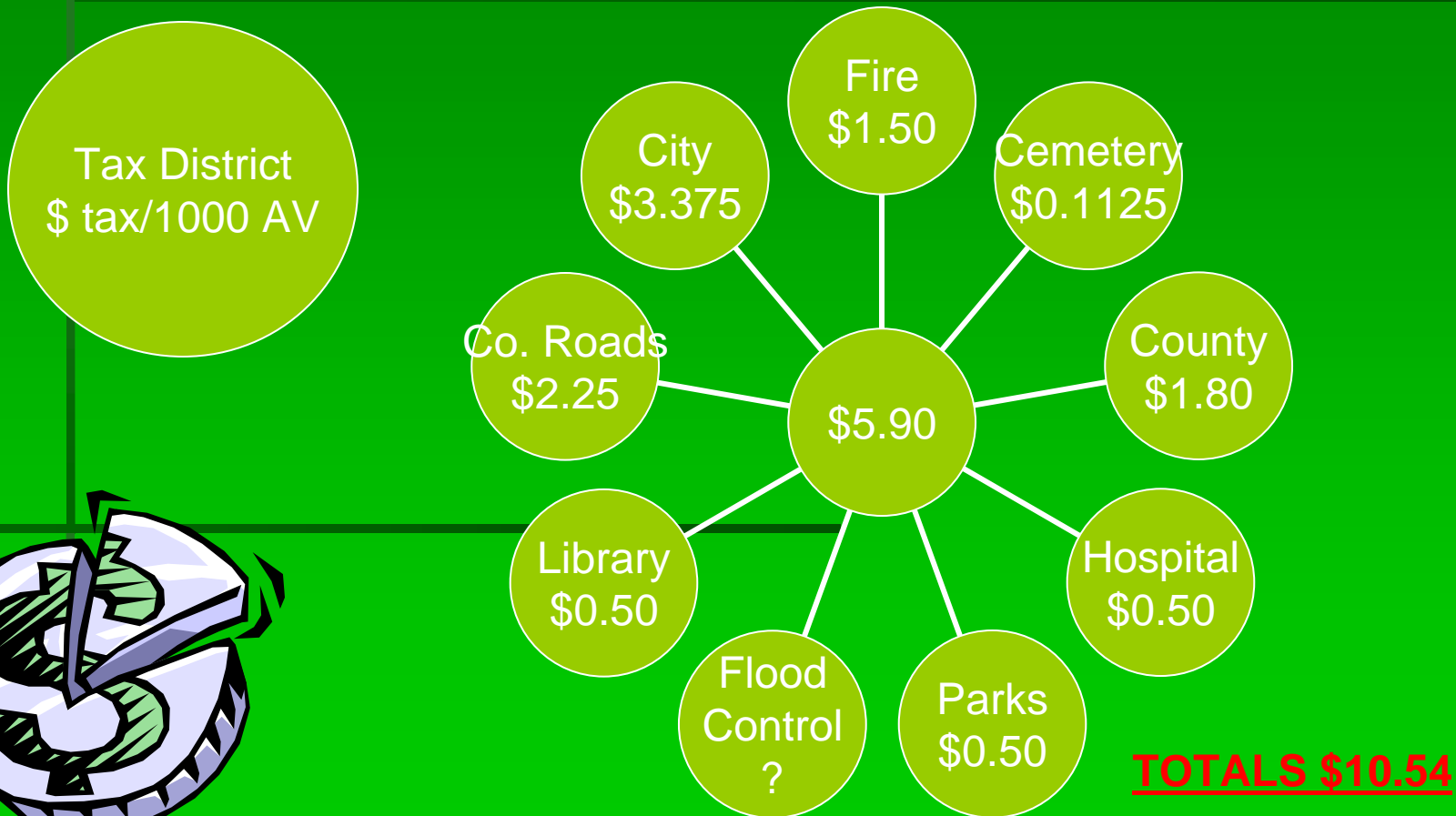
Senior Districts Limited to:

- State \$3.60 per 1000/AV
- County \$1.80 per 1000/AV
- County Roads \$2.25 per 1000/AV
- City \$3.375 per 1000/AV
- But >>> Exception allows for County to raise assessment as long as the combined County and County Roads does not exceed 4.05 (which is what the 1.80 + 2.25 equals)



Tax Process

Taxing Districts (except the State) are limited to a total of \$5.90 per thousand of assessed Value of your property.



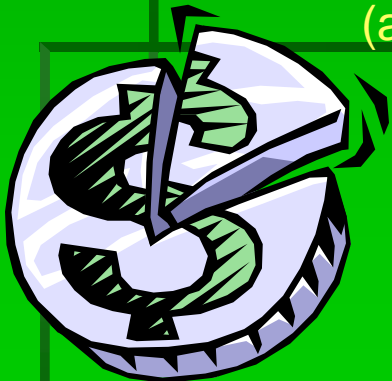
All of these Districts together can only charge a total of \$5.90 per 1000/AV. 4

How do you get \$10.54 out
of a pot \$5.90 in size

You Don't!

RCW 84.52.010

- (2) The certified rates of tax levy subject to these limitations by all junior **taxing districts** imposing taxes on such property shall be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:
- (a) First, the certified property tax levy rates of those junior **taxing districts** authorized under RCW 36.68.525, 36.69.145, and 67.38.130 **shall be reduced on a pro rata basis or eliminated;**



If more than \$5.90 is requested, taxing districts have revenues reduced

- All Junior Districts (except fire & library) have their first 50 cents reduced.
- If still over \$5.90; fire districts are then reduced
- If still over \$5.90; fire, library, park, and hospital districts will again be reduced.



A fire district may be authorized to collect up to \$1.50 per 1000 in assessed value, but may be limited to less than that if other taxing districts take up too much of the \$5.90

Other Limitations on Property Tax Revenues

- Tax can only be increased by the rate of inflation or 1%, whichever is lower.

Prior to I-747 a governing body could increase
Up to 6% after holding a public hearing.
I-747 now limits tax increases to 1%



Can the tax increase more than 1%?

IF THE PUBLIC VOTES YES TO A LEVY LID LIFT REQUEST, it can increase up to the amount authorized.

Example: A fire district collecting 1.30 per 1000 of A.V. could only have a 1% increase. However, if the fire district requests a levy lid lift (increase) and the VOTERS approve it, the district will collect up to 1.50 per 1000 of A.V. next year.



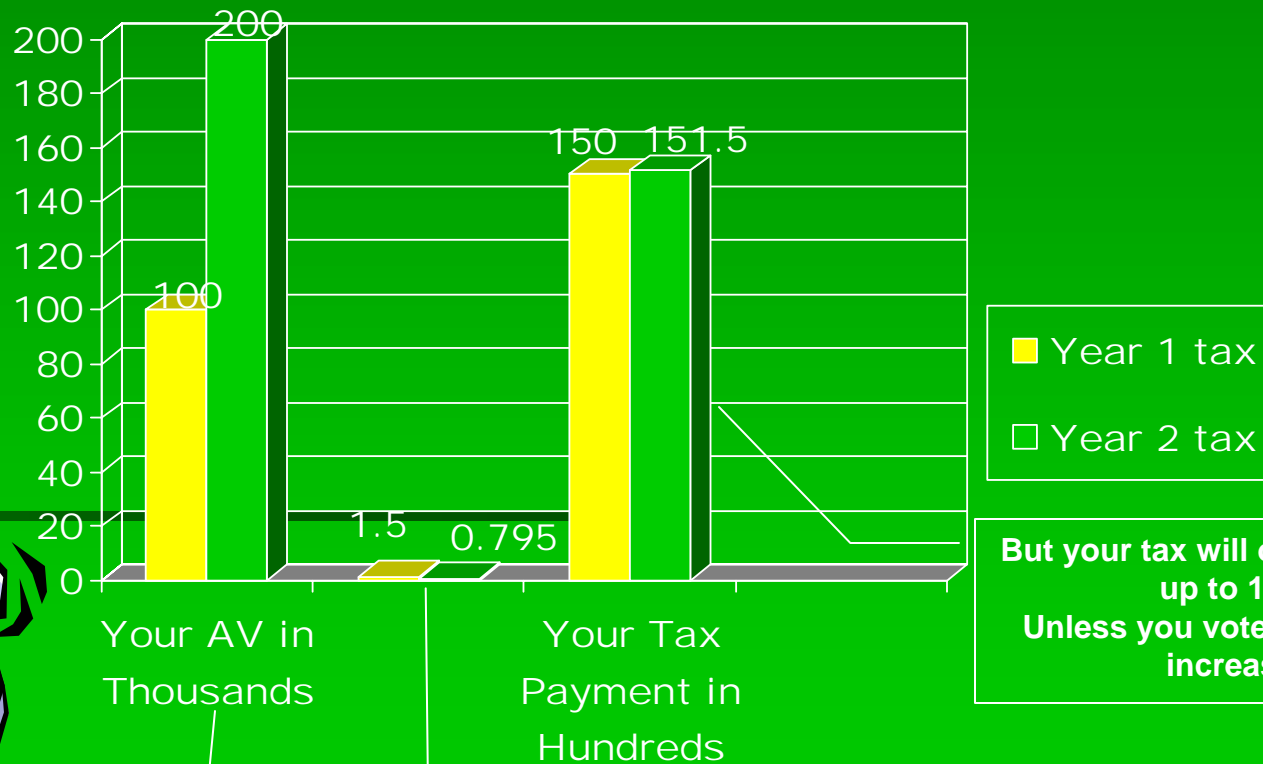
Many people ask: If my Assessed Value doubles, don't my taxes double?

NO! NOT WITHOUT VOTER APPROVAL.
Property Tax revenues are still limited to the maximum 1% growth.

Eventually, your taxes could double IF YOU APPROVE THE INCREASES VIA A BALLOT MEASURE.



A Fire District collecting 1.50 per 1000/AV will have it's rate reduced to limit tax growth to the max. 1%



■ Year 1 tax
□ Year 2 tax

But your tax will only increase up to 1%, Unless you vote in a higher increase



you're A.V can double

Tax Rate per 1000 of Assessed value Decreased in Year 2 to limit revenue to 1% increase

Property Taxes that live outside the monetary limits.

- Affordable Housing
- Open Space
- EMS
- Excess Levies (School M&O, Bond Issues)
- Ports
- Public Utility



Because they don't have to live on the shared \$5.90 per 1000 of assessed value like the junior taxing districts.

Your Big Increases

- Come From
 - New voter approved taxes
 - Voter approved tax increases
 - Voter approved Bonds & Excess levies
 - New State, County, & City Programs



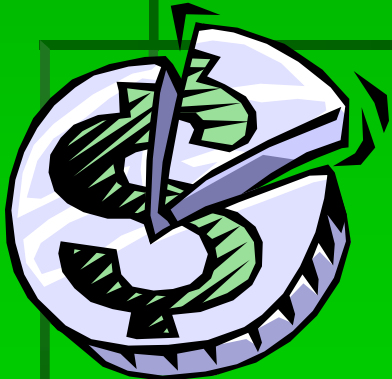
Because they don't have to live on the shared \$5.90 per 1000 of assessed value like the junior taxing districts.

How WFLSD Collects Revenues

Collected through two sources of revenue.

- 1) Fire District Levy
- 2) Benefit Charge

The total amount collected may vary from year to year. The District has determined that to provide the current level of Service, it takes \$1.50 per \$1,000 of A.V. as based on the total A.V. of the District.



How Much?

The District sets an amount needed to operate, normally \$1.50 per Assessed Value of the entire Fire District.

A portion is collected by the Levy (up to \$1.00) and the rest collected through the Benefit Charge.



If 84 cents is collected through the levy, then 66 cents would be collected through the benefit charge.

How is the Benefit Charge Figured?

Since we have the Benefit Charge, we can only collect up to \$1.00 with the Levy. However, with the 1% limit on levy increases that rate is reduced annually. In 2002 it was down to 84 cents.

Knowing how much the Levy will bring in, we estimated how much was needed to be collected via the Benefit Charge to bring the total collected to \$1.50 per \$1,000 of the Districts A.V.

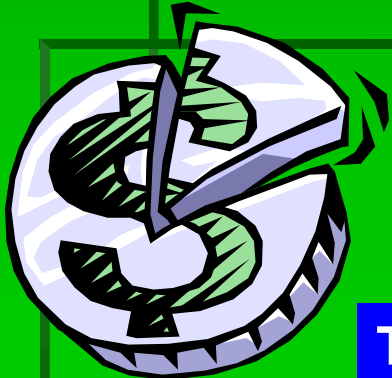


Then there's that 101% limit

If the A.V. increases, the levy rate will be reduced to limit it to a 1% growth over what was collected the previous year. The limiting factor only affects the Levy Rate, not the Benefit Charge.

2002	2003
<u>Levy Rate</u>	<u>Levy Rate</u>
84 Cents	80 Cents
This Years	Next Years
<u>Benefit Charge</u>	<u>Benefit Charge</u>
66 Cents	70 Cents
\$1.50	\$1.50

This is why the Benefit Charge rate changes annually.



The total value to be collected via the Benefit Charge is then divided into the total number of square feet of improvements protected to determine a dollar value to charge per square foot.



Fire Dist. Levy	$0.80 \times 1000/AV = X$
Benefit Charge	$0.70 \times 1000/AV = Y$

$X + Y = 1.50$ per 1,000 dollars of Assessed Value*

*not your personal AV but the District Total AV

(The AV in X is based on your personal AV. The AV in Y is based on the total AV of the District.)

Y is then divided into total square footage protected
To determine how much to charge per square foot.
Lets call that amount Z.

Your house and garage total 2,800 square feet.
 $2,800 \times Z = \text{Your Benefit Charge}$

Then your benefit charge amount is multiplied by
a factor based on commercial or residential rates.



Why are we asking to lift the lid?

- To rebalance the collection sources.



Year	Levy Rate	Benefit Charge Rate
2002	0.84	0.66
2003	0.80	0.70
2004 estimate without lid lift	0.76	0.74
2004 estimate with lid lift	1.00	0.50

Why are we asking to lift the lid?

To maintain our current service level and comply
With state & federal regulations, and national standards.

Fire suppression
Emergency Medical Response
Disaster Preparedness
Public Education

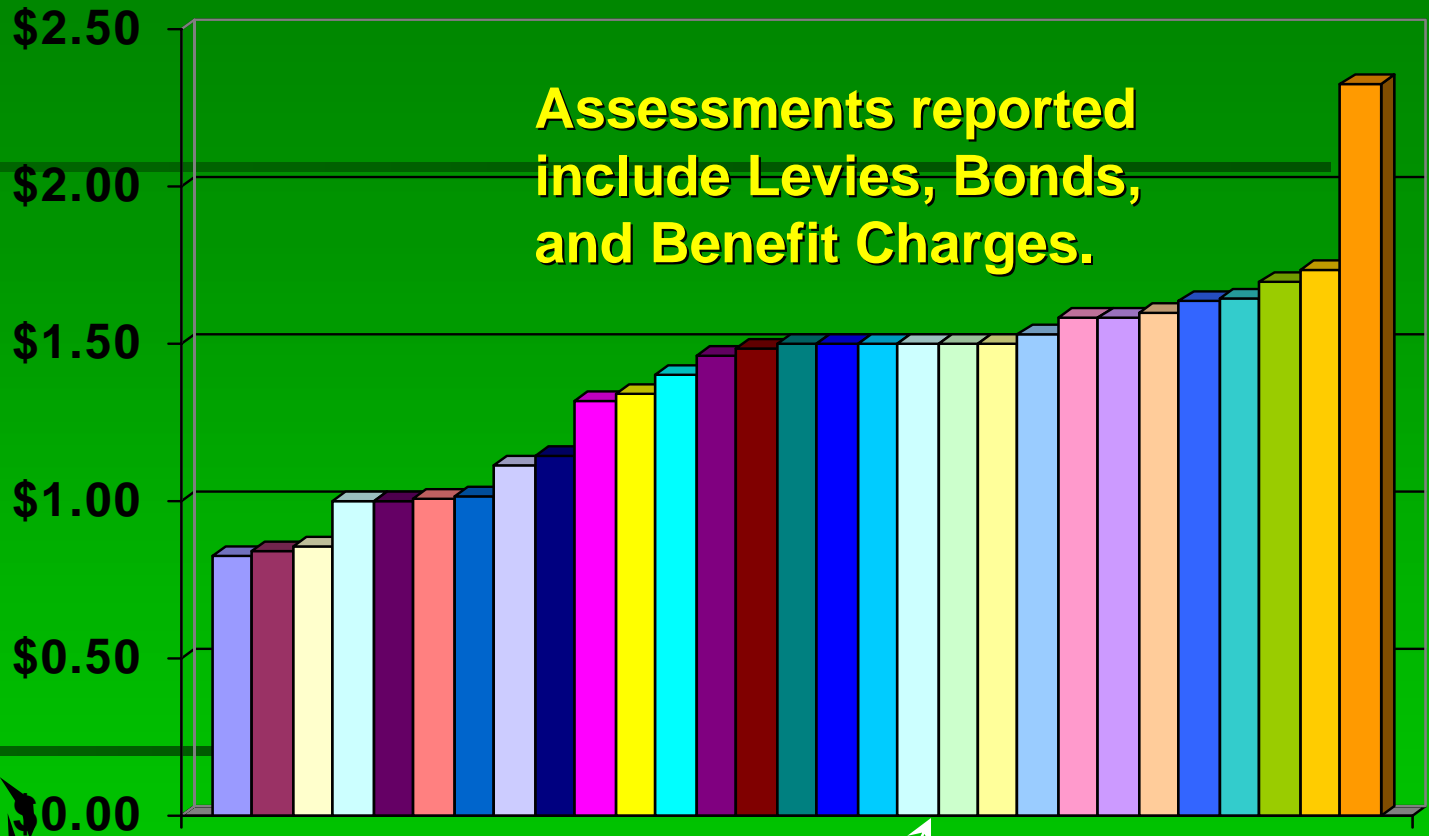
Fire Safety
CPR
First Aid
CERT
Disaster Prep.

Fire Prevention
Inspections
Plans Review
Investigations
Community Event Support



2003 COLLECTION RATES OF FIRE DISTRICTS IN KING COUNTY

\$ assessed per \$1,000 of A.V.



FIRE DISTRICTS IN KING COUNTY

WFLSD

